

ORIGINAL



April 17, 2013

ColdWater Canyon Water Company

P.O. Box 637

Black Canyon City, Arizona 85324

Docket # W-01559A-12-0479

Attn: Mr. Aladi

I wish to request for a recovery of \$9,800 for the media replacement cost I incurred on 10/25/11. I would like the request to be included in the current rate case application.

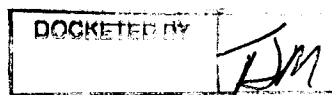
Thank you.

Roger Wagner

Arizona Corporation Commission

DOCKETED

APR 18 2013



AA CORP COMMISSION
DOCKET CONTROL

2013 APR 18 A 9:57

RECEIVED

Coldwater Canyon Water Company
Docket No. W-01559A-12-0479
For the test year ended December 31, 2011
Rate Application

Response to the second deficiency items:

1. The bill count for the test year produced \$97,961 in revenue, the test year revenue as filed by the Company is \$92,988. Please reconcile the difference.

Response: I made a \$6,000 loan to the Company in 2011 and subtracted that amount from the 2011 total operating revenue which should have been \$ 98,988 (\$92,988 + \$6,000).

2. Please provide plant additions and retirement by account for the calendar year 1985.

Response: I don't have any information for the 1985 plant additions and retirements. Apparently there were no plant additions and retirements for that year.

3. Page 14 of the application, plant summary, is not completed correctly. Column A, should show plant in service per prior decision, Column B should show total additions since the last rate case, Column C, should show total retirements since the last rate case, and Column D, should be Column A + Column B minus Column C.

Response: See attached revised page 14.

4. Coldwater canyon does not have a tariff for 1-1/2 inch meter customers. When did the Company add the 1-1/2 inch meter customers and what monthly minimum charge does the Company assess to each customer?

Response: My father started charging \$17 monthly minimum charge to 1-1/2 meter customers in the late 1980 when the first 1-1/2 inch customers came aboard and when I took over the Company I continued to charge the same amount and the current commodity charge.

5. Page 15 of the application, utility plant in service. Column A, should show the original costs which must be the same as the amounts reported on page 20, column A.

Response: See attached revised page 15.

Revised 4/18/13

Company Name: <u>Coldwater Canyon Water</u>	Test Year Ended: <u>12/31/11</u>
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Plant Summary

Acct. No.	Description	Plant in Service Per Prior Decision <i>Column A</i>	Total Additions <i>Column B</i>	Total Retirements <i>Column C</i>	Test Year End Total <i>Column D*</i>
301	Organization		\$ 456		\$ 456
302	Franchises		94		94
303	Land & Land Rights	\$ 22,199	27,251		49,450
304	Structures & Improvements		13,408		13,408
307	Wells & Springs		20,748		20,748
311	Pumping Equipment	9,411	101,108		110,525
320	Water Treatment Equipment	35,411			35,411
320.1	Water Treatment Plants				
320.2	Solution Chemical Feeders				
330	Distribution Reservoirs & Standpipes				
330.1	Storage Tanks	27,342	14,530		41,872
330.2	Pressure Tanks				36,257
331	Transmission & Distrib. Mains		36,257		36,257
333	Services				
334	Meters & Meter Installations	7,428	52,041		59,469
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant & Misc. Equipment				
340	Office Furniture & Equipment				
340.1	Computers & Software				
341	Transportation Equipment	13,229	13,481		26,710
343	Tools, Shop & Garage Equip.		135,142		135,142
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment		19,658		19,658
348	Other Tangible Plant	(2,675)			
	TOTAL WATER PLANT	\$ 112,351	\$ 434,174		\$ 546,525

Note: Please refer to the checklist on page 1 for the required attachments related to this schedule

* Column D = Column A + Column B - Column C

Revised 4/18/13

Company Name:

Coldwater Canyon Water

Test Year Ended:

12/31/11

UTILITY PLANT IN SERVICE

Acct No.	Description	Original Cost	Accumulated Depreciation	OCLD
		Column A	Column B	Column C**
301	Organization	\$ 456		456
302	Franchises	94		94
303	Land & Land Rights	49,450	N/A	49,450
304	Structures & Improvements	13,406	\$ 10,242	3166
307	Wells & Springs	20,748	11,151	9597
311	Pumping Equipment	110,525	93,018	17,507
320	Water Treatment Equipment	35,411	35,411	-0-
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs & Standpipes			
330.1	Storage Tanks	41,872	41,872	-0-
330.2	Pressure Tanks			
331	Transmission & Distrib. Mains	36,257	14,661	21,596
333	Services			
334	Meters & Meter Installations	59,449	45,912	13,557
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant & Misc. Equipment			
340	Office Furniture & Equipment			
340.1	Computers & Software			
341	Transportation Equipment	26,710	26,710	-0-
343	Tools, Shop & Garage Equip.	135,142	48,152	86,990
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	19,658	2,457	17,206
348	Other Tangible Plant			(2675)
	TOTAL WATER PLANT	\$ 546,525	\$ 329,586	\$ 216,939

* Must be the same as the amount reported on page 20

**Column C = Column A - Column B

Revised 4/17/13

COMPANY NAME: <u>COLDWATER CANYON WATER</u>	Test Year Ended: <u>2011</u>
Name of System: <u>ADEQ Public Water System Number: 13-020</u>	<u>13-192</u> <u>13-202</u>

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	TEST YEAR
461	Metered Water Revenue	\$ 87,585	\$ 92,988
460	Unmetered Water Revenue		98,988
474	Other Water Revenues		
	TOTAL OPERATING REVENUES	\$ 87,585	\$ 92,988 *
			98,988
	OPERATING EXPENSES		
601	Salaries and Wages (See page 1, item 4)	\$ 37,200	\$ 37,200
610	Purchased Water (See page 1, item 5)	0	0
615	Purchased Power (See page 1, item 6)	13,059	13,341
618	Chemicals	479	435
620	Repairs and Maintenance (See page 1, item 7)	3,517	12,100
621	Office Supplies and Expense	267	153
630	Outside Services (See page 1, item 8)	0	0
635	Water Testing (See page 1, item 9)	2,100	2,100
641	Rents	0	0
650	Transportation Expenses	1,178	1,077
657	Insurance - General Liability	5,947	5,109
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense - Rate Case	2,000	1,324
675	Miscellaneous Expense <u>POSTAGE</u>	1,848	1,324
403	Depreciation Expense (From page 20)	9,263	9,936
408	Taxes Other Than Income	0	0
408.11	Property Taxes (See page 1, item 10)		6,144
409	Income Tax		0
	TOTAL OPERATING EXPENSES	\$ 91,348	\$ 90,243
	OPERATING INCOME/(LOSS)	\$ - 3,763	\$ + 2,745
			8,745
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	0	0
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0	\$ 0
	NET INCOME/(LOSS)	\$ - 3,763	\$ + 2,745
			8,745

Note: Do not include sales tax in revenue or expense. Please refer to the checklist on page 1 for the required attachments related to this schedule.

* This number must be identical to the number entered on page 6 "total operating revenues."

Revised 4/18/13

Company Name: <i>Coldwater Canyon Water</i>	Test Year Ended: <i>12/31/11</i>
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CALCULATION OF DEPRECIATION EXPENSE

Acct. No..	Description	Original Cost <i>Column A</i>	Depreciation Percentage <i>Column B</i>	Depreciation Expense <i>Column C*</i>
301	Organization	\$ 456	\$ 0	\$ 0
302	Franchises	94	0	0
303	Land & Land Rights	49,450	N/A	0
304	Structures & Improvements	13,408	5%	670
307	Wells & Springs	20,748	5%	1,037
311	Pumping Equipment	110,525	5%	553
320	Water Treatment Equipment	35,411	5%	1,771
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs & Standpipes			
330.1	Storage Tanks	41,872	5%	2,094
330.2	Pressure Tanks			
331	Transmission & Distrib. Mains	36,257	5%	1,813
333	Services			
334	Meters & Meter Installations	59,469	5%	2,973
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant & Misc. Equipment			
340	Office Furniture & Equipment			
340.1	Computers & Software			
341	Transportation Equipment	26,710	5%	1,336
343	Tools, Shop & Garage Equip.	135,142	5%	6,757
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	19,658	5%	983
348	Other Tangible Plant			
	TOTAL WATER PLANT	\$546,525		\$19,987

Note: Use Test Year ending balances for column 1, and approved depreciation rates from the prior rate case in column 2.

* Column C = Column A x Column B

April 17, 2013

ColdWater Canyon Water Company

P.O. Box 637

Black Canyon City, Arizona 85324

Attn: Mr. Aladi

I wish to request for a recovery of \$9,800 for the media replacement cost I incurred on 10/25/11. I would like the request to be included in the current rate case application.

Thank you.

Roger Wagner

To Brendan alack:
from Coldwater Canyon water Co.
Cover plus 4 page

Note: Media cost incurred in 2013 (\$9,800).

CANYON STATE FILTRATION, LLC
110 WHITE TAIL DRIVE
SEDONA, AZ 86351
P: 928.592.7373 F: 928.637.6617

Proposal for Arsenic Media and Change Out
For
Coldwater Canyon Water Company
Arsenic Treatment Plant

March 20, 2013

General Terms

- a. Company. The word "Company" shall refer to the Coldwater Canyon Water Company whose mailing address is PO Box 673, Black Canyon City, AZ 85324.
- b. Company's Authorized Representative. The words "Company's Authorized Representative" shall refer to any officer of the Company, and any of the Company's Engineers, any Division Manager or Superintendent of the Company and/or such other person(s) designated in writing as the "Company's Authorized Representative" by the President or any Vice President of the Company.
- c. CSF. The acronym "CSF" shall refer to Canyon State Filtration, LLC employed to do the work as specified herein.
- d. ATP. The acronym "ATP" shall refer to the Arsenic Treatment Plant located as described herein by street address, cross streets or Company site name.
- e. Proposal – The "Proposal" shall refer to all text and only the text included in this document.
- f. ATP Site – The "ATP Site" shall refer to the site located East of I-17 and North of the Agua Fria Wash.

Scope of Work

The scope of work described herein pertains only to the ATP Site. CSF will be responsible for the permitting, removal of spent media, disposal of spent media, tank inspection and installation of MetSorb HMRG 16/60 media manufactured by Graver Technologies and preparing the ATP to return to service:

Proposal: A fixed-price contract to provide media and change out services for the ATP Site.



Prior to the arrival of CSF on the job for the change out, it will be the responsibility of CSF to submit all documentation for the proper permitting to dispose of the spent media. Three (3) weeks prior to removal of the exhausted media CSF will submit a sample of spent media for lab testing. CSF will be responsible for all costs associated in performing a RCRA 8 under Toxicity Characteristic Leaching Procedure (TCLP) to ensure that the spent media meets all federal guidelines to classify the spent media as non-hazardous material. CSF believes from experience that the media will be considered non-hazardous material, in the event that the media is determined as hazardous material it will result in additional charges. The additional charges due to hazardous material will be discussed with the Company for approval prior to the start of removing the spent media. Failure of the Company to provide access for a grab sample of spent media prior to the CSF crew arrival will result in additional charges and may delay disposal of the spent media.

Once the spent media has been approved for disposal, CSF will schedule with the Company a date and timeframe in which the work will be performed. Upon arrival of CSF at the ATP Site it will be the responsibility of the Company to ensure that the vessel(s) is/are offline and drained so that the CSF crew may begin performing the removal of the spent media and installation of the new media. Once the spent media is removed from the vessel, CSF will visually inspect the condition of the vessel's interior and distribution laterals and make notice to the Company of any issues. Any parts replacement, if needed, are not covered under this proposal.

Initial backwashing of the new media will be performed by CSF. CSF personnel will make available the procedure for backwashing to the Company in the event that the Company discovers a need to perform backwashing during the life of the new media. CSF's proposal assumes that the onsite backwash facility is adequate for the required backwash volume and should be empty at the time CSF arrives onsite. Should this not be the case, additional charges may apply.

CSF will be responsible for the transportation and disposal of the spent media to the permitted landfill. Upon completion of disposal of the spent media, CSF will provide the Company with written documentation of the spent media's final destination.

Company Responsibilities

The following is a list of responsibilities of the Company as part of the Proposal:

- a. Three weeks prior to the removal date of spent media by CSF, the Company will provide CSF with access for sampling of the spent media at the ATP Site to be used for TCLP testing.
- b. Allow for adequate space at the ATP Site for CSF to station its equipment and vehicles, which may require moving mobile equipment.
- c. Have the Company's Authorized Representative onsite to assist in answering potential questions that may arise during the three to four day change out process.



- d. Ensure that the backwash facility is empty at the time C.F. arrives onsite.
- e. Ensure that adequate restrooms are available onsite.

Price and Payment Terms

The prices listed below are a lump sum for permitting, labor and materials for the removal and disposal of the spent media, installation of the new media and readying the ATP to be returned to service.

Price Schedule (Media and Change out services):

The cost to remove and dispose of spent media, supply and install 25ft³ new MetSorb media manufactured by Graver Technologies is **\$9,800.00** plus shipping (estimated at \$275) and applicable taxes for the ATP Site.

Proposal is valid for 60 days upon delivery of this bid.

The Company agrees to pay half of the lump sum, as set forth above, prior to shipment of media with the remaining to be paid following the completion of the change out. Failure to complete payment in full will result in accrued interest charge of one and one-half (1.5%) percent per month or the maximum rate permitted by law.

Canyon State Filtration, LLC

By: /s/
Nick Gudovic
Project Manager

Date: March 20, 2013



CANYON STATE
FILTRATION

Canyon State Filtration, LLC
110 White Tail Drive
Sedona, AZ 86351

(928)592-7373
ngudovic@canyonstatefiltration.com



CANYON STATE
FILTRATION

Invoice

DATE	INVOICE #
10/25/2011	1118
TERMS	DUE DATE
Due on receipt	10/25/2011

BILL TO

Cold Water Canyon Company
PO Box 673
Black Canyon City, AZ 85324

BALANCE DUE	ENCLOSED
\$9,883.75	

Please detach top portion and return with your payment.

Activity	Amount
• Metsorb HMRG 16/60 Media	13,850.00
• Remove and dispose of spent media and install new Media	1,850.00T
• New 48" Fiberglass vessel with 4" flange fitting on top and bottom only, delivered	3,350.00
• Remove cracked fiberglass vessel and install new vessel	650.00T
<p><i>Ch</i> <i>1070</i></p> <p><i>Brendan this one is for the \$6,000 i had to put into the water Co.</i></p>	
SUBTOTAL	\$19,700.00
TAX (7.35%)	\$183.75
TOTAL	\$19,883.75
PAYMENT	\$10,000.00
BALANCE DUE	\$9,883.75

ROGER A WAGNER
PO BOX 637
BLACK CANYON CITY, AZ 85324

1086

91-0564/1221

10-4-11

DATE

PAY TO THE
ORDER OF

Coldwater Canyon Water Co.

\$ *6,000* ^{*00*}/_{*100*}

DOLLARS



Security
Features
Details on
Back



BANK OF AMERICA

Black Canyon City Office
24301 OLD BLACK CANYON HWY
BLACK CANYON CITY, AZ 85324
1-800-486-2266

FOR

Roger Allen Wagner

Account: 698057163 Check#: 1086 Amount: \$6,000.00 Sequence: 392458854 CaptureSequence: 6980020858650
Deposited Account: 24336198 Date: 10/04/2011

PAY TO THE ORDER OF
BANK OF AMERICA - ARIZONA
FOR DEPOSIT ONLY
COLDWATER CANYON WATER CO.
24336198

1086 10-04-2011 6980020858650